

October 29, 2020

RE: Docket No. R2021 – 1
Market-Dominant Price Change
Comments on Seamless Acceptance Rate Incentive
From: Tom McKelvey

The following represents my opinion as it relates to mail owners who are not eDoc submitters.

While I applaud the USPS for its innovative rate incentive proposal for eDoc submitters who use seamless acceptance, I respectfully submit that this part of the rate filing is not in the best interests of mail owners for the following reasons:

- 1) The postal service should not be in the business of incenting eDoc submitters who are not mail owners. This particular group doesn't have true standing in this matter. Anything that has to do with postage, especially an incentive, should apply directly to the party who pays the postage on a mailing. Simply put, only the payor of postage (the mailer) should be subject to increases, decreases, and incentives.

If this incentive is to remain part of the filing, it should be awarded to mail owners who use eDoc submitters who, in turn, use seamless acceptance. An option that I'm not advocating but that might still help solve the concern about the low adoption rate would be to split the incentive with mail owners. This could be a win/win for eDoc submitters and mail owners as there would still be motivation for eDoc submitters in the form of the rate incentive but also because they would risk losing business from mail owners who want to claim their part of the incentive. And, in some scenarios, the eDoc submitter would receive the entire amount if they are also the mail owner.

- 2) Per the filing -- A rate incentive is "a discount that is not a workshare discount and that is designed to increase or retain volume, improve the value of mail for mailers, or improve the operations of the Postal Service." I understand the rationale for the USPS wanting to incent eDoc submitters to adopt seamless acceptance as it will improve the value of mail for mailers and also improve postal operations but this would be at the expense of the mail owners.

At a minimum, it could be construed as a questionable use of the USPS' rate making authority and could also be setting a risky precedent for the industry.

- 3) In addition, everyone agrees that there is a cost of adoption to eDoc submitters but they also receive the benefit of eliminating the need for manual verification of mail which can be an arduous, time-intensive process (as stated in the filing). And, while it can be

argued that this cost might outweigh the benefit to the eDoc submitter, they have the option to pass this cost along to their customers. Whether or not they choose to do is their choice, but they should not rely on the USPS to help fund the cost of adoption.

- 4) Finally, the USPS has implemented many other operational changes over the years which have cost eDoc submitters money and they will always have the option to pass these costs on to their customers. The fact that the adoption rate of seamless acceptance is not where the USPS wants it to be should be irrelevant to the application of rates, incentives, and discounts and should never have a bearing on the awarding of any incentives to anyone but the Mail owner.

I appreciate the Commission's consideration on these comments.

Respectfully submitted,



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